



Date: May 21, 2012

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Mark D. Ahrendsen, Transportation Director
Harmon E. Crutchfield, Assistant Director of Transportation
Pierre Osei-Owusu, Sr., Transportation Planner
Subject: Bus Repower Contract Award

Executive Summary

A federal earmark grant in the amount of \$740,769 has already been approved by City Council for the purpose of replacing up to sixteen (16) engines (repowering) of the 2003 model transit buses. This earmark is being converted to a capital grant totaling \$925,960, including the required 20 percent (\$185,191) match from the City. This grant is proposed to be used to fund a contract to repower buses as described below.

Recommendation

It is recommended that City Council authorize the City Manager to enter into a contract with Midwest Bus Corporation of Owosso, Michigan to purchase and install up to sixteen (16) repowered bus engines for the City's 2003 model transit buses at a net cost of \$53,105 per bus, but in no case to exceed a total of \$849,680 for the sixteen (16) repowered bus engines..

Background

The City's 2003 model transit buses (and any bus manufactured in 2003, with a Detroit Diesel Series 50 EGR engine) have routinely experienced major engine failure, primarily due to a failure of the turbochargers. Durham worked with other cities in the State that were experiencing the same problem and ultimately a combined request was submitted to the FTA for the funding needed to repower in excess of 100 buses statewide. It eventually led to a federal fiscal year 2009 earmark in the amount of \$475,000 specifically for the City for this purpose which resulted in repower of eleven (11) of the City's 2003 model transit buses in 2010. In 2011 the City received additional FTA funding in the amount of \$740,769 for the purpose of completing the bus repowering project.

Issues and Analysis

Upon the approval of the earmark by the City Council in June 2011, the City has solicited bids to repower sixteen (16) of the City's 2003 Model transit buses. Specifications were written; an advertisement was placed; a pre-bid conference was held; and bids were ultimately received on March 7, 2012. Four bids were received. They are:

Clark Power Services	\$85,645.00 per Engine
Complete Coach Works	\$69,361.96 per Engine
Cummins Atlantic LLC	\$53,874.00 per Engine
Midwest Bus Corporation	\$53,105.00 per Engine

The City's 2003 model transit buses are not eligible for replacement until 2015, which means they will remain in service for another four years. In the absence of replacing the engines, there will continue to be major breakdowns if these remaining sixteen (16) buses are used and the City will continue to make costly repairs.

The preferred way to avoid this is to replace the engines with an entirely different engine. The eleven (11) engines that were replaced last year are doing extremely well. The proposed contract with Midwest Bus Corporation has been developed for this purpose.

Alternatives

It is recommended that City Council award a contract to Midwest Bus Corporation for the purpose of repowering up to sixteen (16) of the 2003 transit bus model at a net cost of \$53,105 per bus using the already approved grant, but in no case to exceed \$849,680, which is the total for repowering all sixteen (16) buses.

A second alternative is to not proceed as recommended above in which case the earmark will be forfeited. This is not desirable since the cost of the local match for the repower project will be far less than the estimated cost of on-going maintenance of the sixteen (16) buses proposed to be repowered.

Financial Impact

A total of \$925,960 (\$740,769 federal grant and City match funding of \$185,191) has already been approved by City Council and established with the City using 5300U050-732314-UREPO.

SDBE Summary

The City's transit program is a federally funded program. SDBE participation is not an issue that is associated with the execution of a FTA capital grant.

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Midwest Bus Corporation of Owosso, Michigan and has determined that they are in compliance with the Ordinance to Promote Equal Opportunity in City Contracting.

There were no SDBEs to provide this product.

The workforce statistics for Midwest Bus Corporation are as follows:

Total Workforce	47	100%
Total Females	14	9%
Black Males	0	0%
White Males	42	90%
Other Males	1	2%
Black Females	0	0%
White Females	2	4%
Other Females	2	4%
Total Males	43	91%

Attachments

Attachment 1 – Purchase Contract